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DEPARTMENT OF LAW & PUBLIC SAFETY

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Dr. Terry Ramnanan

For Immediate Release:

August 2, 2017

Office of The Attorney General

- Christopher S. Porrino, Attorney General

Office of the Insurance Fraud Prosecutor

- Christopher Iu, Acting Insurance Fraud Prosecutor

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Bergen County Neurologist Charged with Paying Illegal Kickbacks to a Passaic County Chiropractor in Exchange for Patient Referrals to His Pain Management Facility

TRENTON – Attorney General Christopher S. Porrino and the Office of the Insurance Fraud Prosecutor announced that a Bergen County neurologist today was charged with third-degree conspiracy and commercial bribery for allegedly paying illegal kickbacks to a Totowa chiropractor in exchange for patient referrals to his pain management facility.

Dr. Terry Ramnanan, 64, who operates the Interventional Spine and Pain facility in Paramus, was also charged with third-degree running in an indictment handed up by a state Grand Jury in Trenton today.

Ramnanan, who lives in Upper Saddle River, is the latest doctor charged in connection with an ongoing investigation by the Attorney General's Commercial Bribery Task Force (CBTF), which was formed in January 2016 to target commercial bribery in the healthcare industry. The task force includes deputy attorneys general and detectives from the Division of Criminal Justice Financial & Computer Crimes Bureau and the Office of the Insurance Fraud Prosecutor.

The investigation has uncovered a statewide criminal enterprise in which doctors allegedly received hundreds of thousands of dollars in illegal kickbacks in return for providing patient referrals worth millions of dollars to other doctors and medical service providers.

"Our Commercial Bribery Task Force will continue to unravel this tangled web of corruption until we identify and bring to justice everyone involved in this shameless scheme that puts profit over patients," said Attorney General Porrino. "With each new defendant we charge, we're reinforcing our message that New Jersey patients are not for sale."

"Kickback schemes like this one undermine the entire medical profession and violate the doctor-patient relationship that serves as its sacred bedrock," said Acting Insurance Fraud Prosecutor Christopher Iu. "Patients must be able to trust that their healthcare treatments are based on sound medicine, not the greed and corruption of their doctors. As this investigation shows, medical professionals who exploit that trust for personal gain will be held accountable."

"These bribery schemes involving medical professionals harm individual patients, who may be misdiagnosed or receive unnecessary treatments, and they raise costs for all healthcare consumers," said Director Elie Honig of the Division of Criminal Justice. "We urge anyone who suspects this type of corrupt activity in the healthcare industry to contact our task force confidentially at **866-TIPS-4CJ**."

According to the indictment, between January 2012 and April 2016, Ramnanan conspired with Totowa chiropractor Dr. Ronald Hayek in a kickback scheme in which Ramnanan paid Hayek for referring patients for treatment at his medical facility.

Hayek was among dozens of doctors charged in two prior medical fraud investigations that led to the formation of the Commercial Bribery Task Force:

- An investigation by the Division of Criminal Justice Financial & Computer Crimes Bureau that led to guilty pleas last year from Dr. Manoj Patharkar and his associate Mohammed Shamshair on charges that they hid and laundered approximately \$3.6 million in income from the doctor's pain management clinics to evade taxes, and
- "Operation Rayscam," an investigation by the Office of the Insurance Fraud Prosecutor that led to guilty pleas in May 2015 from Rehan Zuberi, his wife and three other defendants in connection with commercial bribes that Zuberi paid to doctors in return for the referral of patients to his medical imaging centers.

In July 2016, Hayek pleaded guilty to two accusations. The first accusation, filed by the Division of Criminal Justice Financial & Computer Crimes Bureau, charged him with second-degree conspiracy, second-degree money laundering, six counts of commercial bribery, (four in the second degree, two in the third degree), and one count of third degree failure to pay taxes. The second accusation, filed by the Office of Insurance Fraud Prosecutor, charged him with one count of third-degree conspiracy.

In pleading guilty to the accusation filed by the Division of Criminal Justice, Hayek admitted he accepted tens of thousands of dollars in kickbacks from Shamshair, Patharkar, Ramnanan, and others, in exchange for referring patients to them and their related medical facilities. He also admitted paying commercial bribes to attorneys in exchange for the referral of clients to his practice. In pleading guilty to the accusation filed by the Office of Insurance Fraud Prosecutor, Hayek admitted to receiving kickbacks in exchange for referring patients to diagnostic imaging facilities owned or controlled by Rehan Zuberi.

The charges are merely accusations and the defendant is presumed innocent until proven guilty. Third-degree crimes carry a sentence of three to five years in state prison and a criminal fine of up to \$15,000.

Deputy Attorney General Colin Keiffer, of the Office of Insurance Fraud Prosecutor, presented the case to the grand jury.

Commercial Bribery Task force members Lt. Lisa Shea, Lt. Anthony Butler, Detective John Campanella, Detective Wendy Berg, Detective Grace Rocca, Detective Kimberly Allen, Detective John Neggia, Analyst Bethany Schussler, and Analyst Rita Gillis, are conducting and coordinating the investigation for the Division of Criminal Justice Financial & Computer Crimes Bureau, under the supervision of Bureau Chief Michael Monahan and Deputy Bureau Chief Mark Kurzawa, and the Office of the Insurance Fraud Prosecutor. Additional assistance was provided by Supervising Criminal Forensic Auditor Debra Lewaine and Criminal Forensic Auditor Michael Birnie both of the Department of the Treasury's Office of Criminal Investigation, and the National Insurance Crime Bureau.

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